

EXHIBIT B

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Analysis of Economic Loss in the Matter of
Estate of David Angell

October 2016

To Whom It May Concern,

I have been retained by Kreindler & Kreindler LLP to provide an estimate of the economic losses to the estate of David Angell following his death in the terrorist attacks of September 11, 2001. The attached report provides the details of my analysis.

I have attached my Curriculum Vitae that describes my qualifications to undertake this report.

Matthew S. Johnson

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1. Introduction

David Angell was born on April 10, 1947, and he was 54 years old when he was killed in the terrorist attacks of September 11, 2001. This report provides the details behind an estimate of the economic loss to the estate of Mr. Angell as a result of his death.

2. Retirement and Life Expectancy

I have assumed Mr. Angell would work until the age of 65.¹

3. Earnings Loss

Mr. Angell was an extremely successful writer and producer of television sitcoms. At the time of his death, he was the Executive Producer of the show *Frasier*, and he produced and wrote for several other successful shows during his career such as *Cheers* and *Wings*. Based on his tax returns, Mr. Angell earned \$8.8 million in the last year of his life (2001). I assume he would have earned this level again in 2002, and that his earnings would grow by 3 percent each year thereafter. I make this assumption for the following reasons.

Between 1996 and 2001 Mr. Angell earned between \$2.6 million and \$10.8 million each year, and \$8.8 falls within this range. Second, I have been told that Mr. Angell was in the process of re-negotiating a new contract for his work on *Frasier*, which likely would have increased his compensation relative to his recent average earnings for the remainder of the show's duration. Third, while *Frasier* stayed on the air until 2004, it is plausible the show would have stayed on the air longer had Mr. Angell not been killed, so this new contract would have extended for several years. This new contract would have led not only to a higher salary, but also additional residuals from *Frasier* for the remainder of his life. Finally, given his history of creating and producing hit shows (for example, Mr. Angell created *Wings*, and he co-created *Frasier* as a spinoff of *Cheers*), it is quite likely Mr. Angell would have continued as a successful producer on other shows once *Frasier* was over, either creating a spinoff of *Frasier* or a new independent show. Thus, this assumption on Mr. Angell's earnings is quite plausible, and may even be conservative.

4. Income Taxes

Under New York state law, economic loss estimates in a wrongful death case shall not deduct estimated state and federal taxes from estimated earnings. Because this case has been filed in New York as required by statute, and Mr. Angell's death occurred in New

¹ I make no assumptions regarding Mr. Angell's life expectancy, as the estimate of the economic loss to his estate only concerns losses through retirement.

York, I have followed New York state law and have not deducted estimated tax liabilities from Mr. Angell's estimated annual earnings.

5. Personal Consumption and Charitable Donations

Mr. Angell had a demonstrated history of donating a substantial portion of his income to charitable causes. According to his tax returns, he donated \$128,000 in 1998, \$557,778 in 1999, and \$692,610 in 2000, much of which was donated to support his organization The Angell Foundation. Given this history and trajectory of giving, I assume he would have continued to donate \$600,000 per year through retirement.

Mr. Angell also would have used a portion of his earnings and benefits for personal consumption, and the monetary loss to his estate must be adjusted to account for this consumption. To estimate the portion of Mr. Angell (post-charitable donation) income that would have gone to personal consumption, I use estimates from Krueger (2007), who uses a refined version of the widely-referenced Patton-Nelson method, to estimate the necessary consumption allowance to determine the portion of income that is to be included as a loss to the estate of the deceased.² I assume Mr. Angell would consume 9.5 percent of his income, which corresponds to the estimate from Krueger (2007) for a husband in a 2-person household in which at least one spouse works earning over \$150,000 per year. It should be noted this is likely a conservative estimate; there is a negative relationship between total income and percent of income consumed, so it is quite plausible the percent of income Mr. Angell would have allocated to consumption would be lower than 9.5 percent. However, there are no existing estimates for consumption allowance for incomes in the range Mr. Angell earned.

6. Discount Rates

An estimate of the present value of the loss to Mr. Angell's estate must discount future income streams at an appropriate rate. However, for this report all lost income would have been earned before 2016, and as a result is not discounted.

² Krueger, K.V., 2008. Personal consumption by husbands and wives. *Journal of Forensic Economics*, 20(1), pp.15-30.

**Table 1: Summary of Economic Damages to the
Estate of David Angell**

Present Value of Lost Earnings	96,839,659
Total	96,839,659

Table 2: Present Value of Lost Earnings

Year	Age	Annual Salary	Charitable donations	Post donation income	Consumption	Net Loss	Present Value	Discount
2002	55	8,870,000	600,000	8,270,000	785,650	7,484,350	7,484,350	0
2003	56	9,136,100	600,000	8,536,100	810,930	7,725,171	7,725,171	0
2004	57	9,410,183	600,000	8,810,183	836,967	7,973,216	7,973,216	0
2005	58	9,692,488	600,000	9,092,488	863,786	8,228,702	8,228,702	0
2006	59	9,983,263	600,000	9,383,263	891,410	8,491,853	8,491,853	0
2007	60	10,282,761	600,000	9,682,761	919,862	8,762,899	8,762,899	0
2008	61	10,591,244	600,000	9,991,244	949,168	9,042,076	9,042,076	0
2009	62	10,908,981	600,000	10,308,981	979,353	9,329,628	9,329,628	0
2010	63	11,236,251	600,000	10,636,251	1,010,444	9,625,807	9,625,807	0
2011	64	11,573,338	600,000	10,973,338	1,042,467	9,930,871	9,930,871	0
2012	65	11,920,538	600,000	11,320,538	1,075,451	10,245,087	10,245,087	0
Total							96,839,659	

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Citizenship: USA

EMPLOYMENT

Postdoctoral Scholar, Sanford School of Public Policy, Duke University, starting July 2016

EDUCATION

Ph.D., Economics, Boston University, Boston, MA, May 2016 (expected)

Dissertation Title: *Essays on Nonwage Compensation*

Dissertation Committee: Johannes Schmieder, Kevin Lang, David I. Levine

Visiting Ph.D. student, Harris School of Public Policy, University of Chicago, Chicago, IL, 2014-2015

B.A., Economics and History (*with Honors*), University of California, Berkeley, Berkeley, CA, 2007

RESEARCH FIELDS

Labor Economics, Public Economics, Organizational Economics

RESEARCH GRANTS

2014-2015: The Effects of OSHA Enforcement: An Analysis of a Very Large Sample of Randomized Inspections.” Coalition for Evidence-Based Policy Low-Cost RCT Grant, \$100,000 (Co-PI with David I. Levine and Michael W. Toffel)

FELLOWSHIPS AND AWARDS

2015-2016: Pre-Doctoral Fellowship in Disability Policy, National Bureau of Economic Research

2014: Outstanding Paper Award, Alliance for Research on Corporate Sustainability (ARCS) Annual Conference

2014-2015: Funding for Research Assistant, RA Mentor Program, Boston University Department of Economics

2012: National Science Foundation Graduate Research Fellowship, Honorable Mention

2011-2016: Dean’s Fellowship, Boston University

2007: Distinction in General Scholarship, UC Berkeley

TEACHING EXPERIENCE

2012-2013: Teaching Fellow, Principles of Microeconomics, Department of Economics, Boston University

RESEARCH EXPERIENCE

2013-2014: Research Assistant for Professors Carola Frydman, Claudia Olivetti and Daniele Paserman, Boston University

2009-2011: Research Assistant for Professors Laura Alfaro, Fritz Foley, and Michael Toffel, Harvard Business School

2007-2009: Senior Research Assistant for Dr. Martin Baily,
The Brookings Institution

PUBLICATIONS

Levine, David I., Michael W. Toffel, and Matthew S. Johnson. 2012. "Randomized Government Safety Inspections Reduce Worker Injuries with No Detectable Job Loss." *Science* 336, no. 6083.

Baily, Martin N., Robert E. Litan and Matthew S. Johnson. 2008. "The Origins of the Financial Crisis." The Brookings Institution; Fixing Finance Series: Paper 3.

Johnson, Matthew S. 2007. "The Power of Ideas and American Racial Struggles in the Early Nineteenth Century." *Clio's Scroll: Berkeley Undergraduate History Journal* (spring).

WORKING PAPERS

"Regulation by Shaming: Deterrence Effects of Publicizing Violations of Workplace Safety Laws."

OTHER PUBLICATIONS

Harvard Business School (HBS) Teaching Materials

Foley, C. Fritz, Matthew S. Johnson. "The Export-Import Bank of the United States." HBS Case 211-032.

Foley, C. Fritz and Matthew S. Johnson. "Belco Global Foods." HBS Case 211-033.

Alfaro, Laura, and Matthew Johnson. "Foreign Direct Investment and Ireland's Tiger Economy (B)." HBS Supplement 710-057.

Foley, C. Fritz, Michael Chen, Matthew Johnson, Linnea Meyer. "Noble Group." HBS Case 210-021.

Book Chapters

Alfaro, Laura and Matthew Johnson. 2012. "Foreign Direct Investment and Growth." Chap. 20 in *The Evidence and Impact of Financial Globalization*, edited by Gerard Caprio, 299–307. Elsevier.

CONFERENCES AND PRESENTATIONS

2016: Strategy and the Business Environment Annual Conference

2015: Southern Economic Association Annual Meeting

2014: Society of Labor Economists (SOLE) Annual Meeting; Alliance for Research in Corporate Sustainability (ARCS) Annual Meeting; Washington University Economics Graduate Student Conference; White House Office of Science and Technology Policy

2013: Harvard School of Public Health ERC Seminar

2012: Association for Public Policy and Management Fall Research Conference, Baltimore MD

COMPUTER SKILLS: STATA, LaTeX, R

OTHER EXPERIENCE

2014-2015: BU Labor Reading Group founder/organizer; 2013-2014: BU Graduate Economics Association Officer; 2012-2015: Volunteer Tutor with Tutoring Plus! (2012-2015)